

Chairman Vap called the regularly scheduled meeting to order at 10:02 a.m. with Commissioners Lowell Johnson, Rod Johnson, Landis and Vap present and Commissioner Boyle excused.

#### GENERAL ADMINISTRATION

Notice was duly published May 11, 2004, on Page 7 of The Daily Record that the regular public meeting of the Commissioners of the Nebraska Public Service Commission would be held May 18, 2004, at 10:00 a.m. in the Commission Hearing Room, 300 The Atrium, 1200 N Street, Lincoln.

Attention was called to the following proceeding:

Wednesday, May 19, 2004:

1:30           Commission Library, Lincoln.  
              TRS Advisory Committee Meeting.

#### COMMUNICATIONS DEPARTMENT

AD-303       In the Matter of Heartland Times, LLC, Omaha, seeking authority to connect an automatic dialing-announcing device: Motion made by Commissioner Lowell Johnson, seconded by Commissioner Frank Landis to enter an order granting the application. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis, Jerry Vap voting AYE, Commissioner Anne Boyle Excused Not Voting.

SC-005       In the Matter of Maurice Gene Hand, Director, Commu-  
DC-66        nications Department, Nebraska Public Service Commission and Mr. Jeffrey L. Pursley, Director, Nebraska Universal Service Fund Department, Nebraska Public Service Commission, Complainants, versus Long Distance Savings: Gene Hand and Shana Knutson informed the Commission that a complaint will be filed.

C-3012       In the Matter of the Commission, on its own motion, seeking to conduct a critical cost analysis for Aliant Communications Co., d/b/a ALLTEL, as a result of the Nebraska Technology & Telecommunications, Inc. and ALLTEL arbitration conducted in Application C-2648: Motion made by Commissioner Frank Landis, seconded by Commissioner Lowell Johnson an order adopting averaging methodology was entered. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis, Jerry Vap voting AYE, Commissioner Anne Boyle Excused Not Voting.

COMMUNICATIONS DEPARTMENT (Cont.)

C-3161 In the Matter of Phonetec PCS, LLC, Midland, Texas, seeking authority to operate as a resale common carrier of telecommunications services within the State of Nebraska: Motion made by Commissioner Lowell Johnson, seconded by Commissioner Frank Landis to enter an order vacating earlier findings and issuing revised findings. Commissioner Landis left the Commission Hearing Room. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Jerry Vap voting AYE, Commissioners Anne Boyle, Frank Landis Excused Not Voting.

C-3183 In the Matter of Qwest Corporation, Denver, Colorado, seeking approval of its Triennial Review Order Amendment with XO Network Services, Inc., Salt Lake City, Utah: Motion made by Commissioner Lowell Johnson, seconded by Commissioner Rod Johnson to enter an order granting the application. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Jerry Vap voting AYE, Commissioners Anne Boyle, Frank Landis Excused Not Voting.

C-3206 In the Matter of the Commission, on its own motion, seeking to administer the Nebraska Internet Enhancement Fund: Motion made by Commissioner Rod Johnson, seconded by Commissioner Lowell Johnson to enter an order accepting the proposed guidelines, pre-application, application and scoring sheet and to establish a timeline for receiving and evaluating applications. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Jerry Vap voting AYE, Commissioners Anne Boyle, Frank Landis Excused Not Voting.

C-3207 In the Matter of Cambridge Telephone Company, Cambridge, seeking a suspension or modification of the Federal Communications Commission requirement to implement wireline-wireless number portability pursuant to 47 U.S.C. Section 251(f)(2): Motion made by Commissioner Lowell Johnson, seconded by Commissioner Rod Johnson to enter an order granting interim relief. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Jerry Vap voting AYE, Commissioners Anne Boyle, Frank Landis Excused Not Voting.

Gene Hand informed the Commission that the staff is preparing suggested comments for filing in the FCC's IP-Enabled Services proceeding (WC Docket 04-36) due on or before May 28, 2004.

Gene Hand discussed the recent release of an NPRM by the Federal Communications Commission (FCC) recommending that the 811 NXX be used as a national "One Call" notification number.

Gene Hand reviewed an FCC Public Notice that reminded carriers of the upcoming May 24, 2004, Local Number Portability (LNP) implementation deadline.

COMMUNICATIONS DEPARTMENT (Cont.)

Gene Hand informed the Commission that the Nebraska Distance Learning Conference is scheduled for June 16-18, 2004, in Lincoln and that he is scheduled to participate on a "Telehealth Network" panel during the conference.

UNIVERSAL SERVICE FUND

NUSF-37.21 In the Matter of Jeffrey L. Pursley, Director, Nebraska Universal Service Fund Department, Nebraska Public Service Commission, Complainant, vs. T-Netix, Inc., Respondent: Motion made by Commissioner Rod Johnson, seconded by Commissioner Lowell Johnson to dismiss the complaint. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Jerry Vap voting AYE, Commissioners Anne Boyle, Frank Landis Excused Not Voting.

Camelia Wills reported on the NUSF's Fund Status Report.

Camelia Wills presented a letter from the Universal Service Fund's Advisory Board regarding the appointment of Rex Nelson as the new NUSF Advisory Board member for the public, fulfilling Dick Fleming's seat, and the re-appointment of three current members, Deonne Bruning, Dave Rosenbaum and Roger Keetle. Motion made by Commissioner Lowell Johnson, seconded by Commissioner Rod Johnson to approve the appointment of Mr. Nelson and the re-appointment of the three current members. Commissioner Lowell Johnson added the statement "grateful recognition to all who have served and agreed to serve". Motion passed with Commissioners Lowell Johnson, Rod Johnson, Jerry Vap voting AYE, Commissioners Anne Boyle, Frank Landis Excused Not Voting.

E911 DEPARTMENT

911-009/ In the Matter of the Commission, on its own motion, seeking  
PI-78 to investigate the current status of Phase I enhanced wire-  
less 911 service and alternatives for handling wireless 911  
calls for areas currently without enhanced 911 service. Motion made  
by Commissioner Lowell Johnson, seconded by Commissioner Rod Johnson  
to enter an order scheduling a workshop. Motion passed with Commis-  
sioners Lowell Johnson, Rod Johnson, Jerry Vap voting AYE, Commis-  
sioners Anne Boyle, Frank Landis Absent Not Voting. A video workshop  
was scheduled for June 24, 2004, at 10:00 a.m. in the Commission  
Library, Lincoln; McKinley Education Center, 301 West F Street, Room  
1, North Platte; Avera St. Anthony's Hospital, Lower Level Conference  
Room, 2<sup>nd</sup> and Adams Street, O'Neill; McMillen Hall, Room 208, 1205 East  
3<sup>rd</sup> Street, McCook; and Panhandle Learning Center, High Plains Room,  
4502 Avenue I, Scottsbluff.

Kara Thielen discussed and requested approval for an RFP for Phase II Implementation. Upon agreement of all Commissioners present, the Commission approved the release for Friday, May 21, 2004.

E911 DEPARTMENT (Cont.)

Kara Thielen updated the Commission on Project LOCATE.

Kara Thielen discussed the new monthly newsletter for E911.

NATURAL GAS DEPARTMENT

NG-0001 In the Matter of Aquila, Inc., d/b/a Aquila Networks  
NG-0002 (Aquila), Omaha, seeking a general rate increase for  
NG-0003 Aquila's Rate Area One, Rate Area Two and Rate Area  
Three. Motion made by Commissioner Lowell Johnson,  
seconded by Commissioner Rod Johnson to approve assessment orders for  
HSD-009 and DB-003. Andy Pollock explained the reduction in DB-003  
for one expense item and one fee item, which Commission staff had  
questioned but had not yet received answers. Motion passed with  
Commissioners Lowell Johnson, Rod Johnson, Jerry Vap voting AYE,  
Commissioners Anne Boyle, Frank Landis Excused Not Voting.

NG-0011/ In the Matter of the Commission, on its own motion, seek-  
PI-74 ing to conduct an investigation for the purpose of moni-  
toring NorthWestern Energy's financial condition and  
ability to continue providing adequate and reliable service to its  
customers: Laura Demman reported on: (1) a preliminary agreement  
between the Montana Public Service Commission, Montana Consumer  
Counsel and NorthWestern Corporation; and (2) the May 17, 2004,  
conditional approval by the U.S. Bankruptcy Court in Delaware of  
NorthWestern's amended Disclosure Statement.

NG-0023 In the Matter of Kinder Morgan, Inc., Lakewood, Colorado,  
seeking a waiver of notice and publication and to implement  
supply cost adjustment rate schedules applicable to Nebraska Rate  
Schedules CGS (Choice Gas Service), ACGS-NSS (Agricultural Choice Gas  
Service Non-Seasonal Service), and ACGS-SS (Agricultural Choice Gas  
Service Seasonal Service): Laura Demman discussed the proposed pro-  
cedure for addressing the application. A recommendation was made that  
(1) the Commission seek written assurance from Kinder Morgan that all  
reasonable measures will be taken to release the upstream capacity  
secured for the customers granted a waiver to be treated as high-  
volume ratepayers in Application NG-0022, and (2) the Commission  
obtain from Kinder Morgan further documentation of the costs asso-  
ciated with such upstream capacity. Commissioner Vap directed Laura  
Demman to contact Kinder Morgan and obtain this information.

RULES AND REGULATIONS

Andy Pollock reported that the Governor had signed the  
grain warehouse and housing rules and they had been filed with the  
Secretary of State on Friday, May 14, 2004, making them effective  
Wednesday, May 19, 2004.

RULES AND REGULATIONS (Cont.)

Rule and In the Matter of the Commission, on its own motion, seeking  
Regulation to amend Title 291, Chapter 3, Motor Carrier Rules and  
#153 Regulations, to rewrite the chapter in its entirety and  
format per Secretary of State requirements: Upon agreement  
of all Commissioners present, an order was entered granting the motion  
for leave to accept late filed comments of Visinet, Inc., Omaha.

GRAIN WAREHOUSE DEPARTMENT

GW-93 In the Matter of The Keene Cooperative Grain and Supply  
Company, Axtell, seeking special storage rates and charges:  
An order was entered granting the application.

GW-1743 In the Matter of Employers Mutual Casualty Company seeking  
cancellation of its Continuous Public Grain Warehouse Bond  
No. T21 84 92 in the amount of \$101,300.00, issued on behalf of  
Farmers/Ranchers Cooperative Association of Ainsworth: Application  
was granted effective April 1, 2004.

GW-2028 In the Matter of United States Fidelity & Guaranty Company  
seeking cancellation of its Continuous Public Grain Ware-  
house Bond No. 20-0110-13958-97-0 in the amount of \$103,900.00, issued  
on behalf of Nebraska Ag Products Co., Wisner: Application was  
granted effective May 17, 2004.

Grain Dealer Division

GD-2678 In the Matter of Old Republic Surety Company seeking can-  
cellation of its Continuous Grain Dealer Bond RLI 0514751  
in the amount of \$150,000.00, issued on behalf of Lanphier, Inc.,  
Lingle, Wyoming: Application was granted effective May 13, 2004.

HOUSING DEPARTMENT

Mark Luttich reported on rules and regulations regarding  
modular housing unit construction, and, Steve Rowell's nomination to  
the Energy Office's Energy Committee created by LB 888.

TRANSPORTATION DEPARTMENT

B-1619 In the Matter of Kincaid Coach Lines, Edwardsville, Kansas,  
seeking Commission approval to waive the age qualification  
for driving a motor vehicle: Motion made by Commissioner Lowell John-  
son, seconded by Commissioner Rod Johnson to approve the age waiver.  
Motion passed with Commissioners Lowell Johnson, Rod Johnson, Jerry  
Vap voting AYE, Commissioners Anne Boyle, Frank Landis Excused Not  
Voting.

TRANSPORTATION DEPARTMENT (Cont.)

B-1625 In the Matter of Private Transportation, Inc., Omaha, seeking authority as a common carrier of passengers by vans and sedans in open class service between points in Nebraska over irregular routes. To include the transportation of Health and Human Services clientele and their subcontractors thereof. RESTRICTION: The transportation of railroad train crews and their baggage is not authorized: Motion made by Commissioner Lowell Johnson, seconded by Commissioner Rod Johnson to dismiss the application without prejudice. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Jerry Vap voting AYE, Commissioners Anne Boyle, Frank Landis Excused Not Voting.

M-14182 In the Matter of Capital Home Improvements, Lincoln, seeking authority as a common carrier of household goods by truck between points in Lincoln and between points in Lincoln, on the one hand, and, on the other hand, points within a 100-mile radius of Lincoln: Motion made by Commissioner Lowell Johnson, seconded by Commissioner Rod Johnson to enter a notice of pending dismissal. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Jerry Vap voting AYE, Commissioners Anne Boyle, Frank Landis Excused Not Voting.

Rate Division

LR-244 In the Matter of Omaha Limousine Co., LLC, dba Omaha Limousine, Omaha, seeking authority to amend its limousine Rates: Motion made by Commissioner Lowell Johnson, seconded by Commissioner Rod Johnson to grant the application. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Jerry Vap voting AYE, Commissioners Anne Boyle, Frank Landis Excused Not Voting.

TR-136 In the Matter of Comstock Corporation, dba Action Cab, Grand Island, seeking authority to apply surcharge to its Grand Island operation: Motion made by Commissioner Lowell Johnson, seconded by Commissioner Rod Johnson to grant the application. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Jerry Vap voting AYE, Commissioners Anne Boyle, Frank Landis Excused Not Voting.

MR-930 In the Matter of Movers and Warehouse Division, Nebraska Motor Carriers Association, Lincoln, seeking authority to establish a fuel surcharge in Nebraska Official Household Goods Tariff 7-F: The fuel surcharge was decreased to 24 cents per mile and the taxi surcharge was retained at 45 cents per trip.

GENERAL ADMINISTRATION

The Commission approved the following invoices. Motion made by Commissioner Lowell Johnson, seconded by Commissioner Rod Johnson Motion passed with Commissioners Lowell Johnson, Rod Johnson, Jerry Vap voting AYE, Commissioners Anne Boyle, Frank Landis Excused Not Voting.

GENERAL ADMINISTRATION (Cont.)

DAS - Materiel	\$	554.23
Executive Travel		532.70
Executive Travel		532.70
Kelly Services		972.48

NEBRASKA EQUIPMENT DISTRIBUTION PROGRAM

Dynavox Systems, LLC	875.00
Bosler Hearing Aid Center	532.00
Hamilton Telecommunications	411.85
Harris Communications	796.90
Hearing Aid Specialists	703.00
Hearing Clinic Inc.	300.00
Carl A. Johnson	1,026.30
Professional Hearing Aid Services	379.95
R & J Enterprises	1,398.11
Sherard Hearing Aid Center	149.00

Motion made by Commissioner Lowell Johnson, seconded by Commissioner Rod Johnson to go into closed session at 10:40 a.m. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Jerry Vap voting AYE, Commissioners Anne Boyle, Frank Landis Excused Not Voting.

The staff reported on litigation matters and discussed with the Commissioners.

Motion made by Commissioner Lowell Johnson, seconded by Commissioner Rod Johnson to return to open session. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Jerry Vap voting AYE, Commissioners Anne Boyle, Frank Landis Excused Not Voting.

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The meeting adjourned at 10:55 a.m. with Commissioners Lowell Johnson, Rod Johnson, and Vap present and Commissioners Boyle and Landis excused. The next regularly scheduled meeting will be held on May 26, 2004, at 10:00 a.m. with an agenda to be available in the office of the Executive Director at 10:00 a.m. on May 25, 2004.

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Chairman

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Executive Director